

YUBA COUNTY ECONOMIC FORECAST

Yuba County, located in the Northern Sacramento Valley is home to Beale Air Force Base, which employs more than 4,300 military and civilian workers. Yuba County has a population of 68,600 people and 17,800 wage and salary jobs. The Yuba County median household income is \$48,200, the per capita income is \$22,790, and the average salary per worker is \$55,232.

Although not nearly as robust as Southern California, employment growth in Northern California was strong in 2005, compared to the previous four years. Employment in the greater Bay Area increased by 0.8 percent last year, while the Sacramento Valley (consisting of Sacramento, Yolo, Placer, El Dorado, Yuba and Sutter Counties) grew at a healthy pace of 2.4 percent. In 2005, nearly 500 total wage and salary jobs were created in Yuba County, implying a growth rate of 2.8 percent. Non-farm employment grew slightly faster at 3.0 percent. The unemployment rate declined to 8.9 percent in 2005.

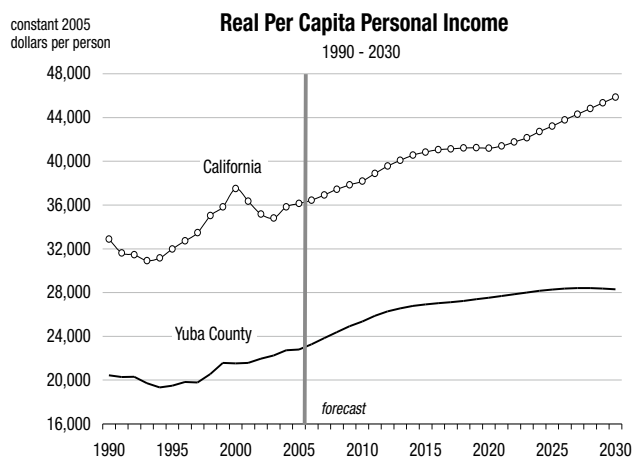
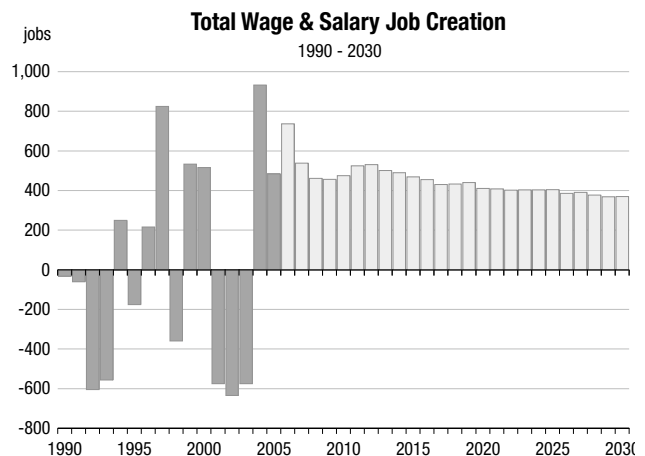
The principal sectors producing jobs in Yuba County are professional services and government. The two sectors accounted for over 90 percent of net job creation in the county. The public sector is the largest employer with nearly 40 percent of all jobs in the county. Employment in construction was flat in 2005, after rising nearly 50 percent since 2002 due to increased housing production. The manufacturing sector lost over 100 jobs in 2005.

From January 2005 to January 2006, population grew at a rate of 3.6 percent in Yuba County, the highest rate among the 58 counties in the state. All of the growth occurred in the unincorporated areas, where 77 percent of the population resides. The largest city in the county, Marysville, declined by 1.2 percent, losing over 150 people.

Population and employment will grow in tandem as people continue to migrate to Yuba County. Vehicle registration will outpace population growth in the near-term.

FORECAST HIGHLIGHTS

- Job growth is forecast to rise to 4.2 percent in 2006. Job growth is expected to remain strong over the next five years averaging 2.8 percent per year. Farm employment is expected to decline.
- Average salaries adjusted for inflation are currently above the California state average, and will remain so over the forecast period. Inflation adjusted salaries are expected to rise an average of 2.3 percent per year over the next 5 years.
- Real per capita income is forecast to rise 2.1 percent in 2006. Over the next five years, real per capita incomes are expected to increase an average of 2.2 percent per year.

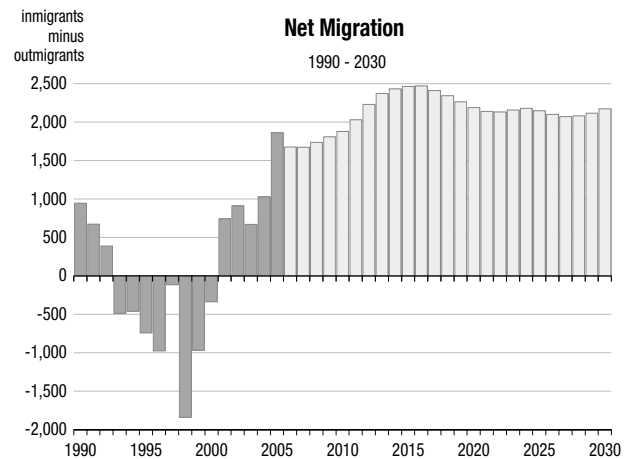
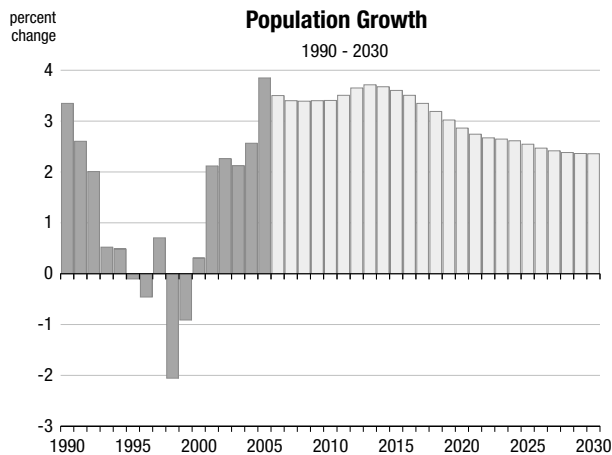


- The momentum for employment growth is in government, and wholesale and retail trade. These sectors account for over 65 percent of the jobs created in the county over the next five years. The financial services, professional services, and health and education sectors will each add between 200 and 240 total jobs from 2006 to 2010.
- The population in the county will continue to grow, and at a significantly faster rate than the state average. Annual growth in the 2006 to 2010 period averages 3.4 percent per year.
- Net migration, which is currently at record levels will decline slightly to an estimated 1,680 people in 2006. Over the next five years net migration is expected to average of 1,760 net migrants per year.
- Industrial production is forecast to increase 2.1 percent in 2005. Over the next five years the growth rate of industrial production averages 1.3 percent per year.

Yuba County Economic Forecast

1997-2005 History, 2006-2030 Forecast

	Population (people)	Net Migration (people)	Registered Vehicles (thousands)	Households (thousands)	New Homes Permitted (homes)	Total Taxable Sales (billions)	Personal Income (billions)	Real Per Capita Income (dollars)	Inflation Rate (% change in CPI)	Real Farm Crop Value (millions)	Real Industrial Production (millions)	Unemploy- ment Rate (percent)
1997	62,049	-115	47.3	21.2	139	\$0.3	\$1.0	\$19,789	3.4	178.7	184.2	13.4
1998	60,776	-1,840	49.4	21.4	153	\$0.3	\$1.0	\$20,548	3.2	150.9	181.3	13.6
1999	60,223	-966	50.8	21.6	221	\$0.4	\$1.1	\$21,568	4.2	169.4	200.4	11.8
2000	60,409	-336	52.9	20.5	84	\$0.4	\$1.2	\$21,519	4.5	182.7	245.4	8.0
2001	61,688	745	55.2	20.7	210	\$0.4	\$1.2	\$21,578	5.4	146.6	198.6	8.6
2002	63,083	913	57.3	20.7	376	\$0.4	\$1.3	\$21,950	1.6	146.2	229.6	9.9
2003	64,424	670	57.3	21.0	611	\$0.4	\$1.4	\$22,257	1.8	159.6	253.2	10.8
2004	66,076	1,030	61.7	21.2	1,697	\$0.5	\$1.5	\$22,715	1.2	138.2	263.4	9.8
2005	68,618	1,863	64.4	22.2	1,705	\$0.5	\$1.6	\$22,790	2.0	136.9	258.9	8.9
2006	71,021	1,678	68.1	24.2	966	\$0.6	\$1.7	\$23,276	3.6	139.3	264.4	7.8
2007	73,437	1,675	71.6	25.2	1,179	\$0.6	\$1.9	\$23,827	2.4	139.8	264.7	7.8
2008	75,929	1,738	74.9	26.4	1,443	\$0.7	\$2.0	\$24,381	1.9	140.6	266.7	8.2
2009	78,511	1,810	78.1	27.9	1,097	\$0.7	\$2.2	\$24,917	1.9	139.7	270.6	8.5
2010	81,185	1,881	81.1	29.1	1,331	\$0.7	\$2.3	\$25,363	2.2	138.3	275.6	8.5
2011	84,033	2,032	84.1	30.4	1,433	\$0.8	\$2.5	\$25,864	2.2	137.7	286.6	8.4
2012	87,101	2,231	87.0	31.9	1,349	\$0.8	\$2.7	\$26,279	2.2	136.7	299.4	8.4
2013	90,334	2,375	89.8	33.3	1,366	\$0.8	\$2.9	\$26,555	2.3	135.3	312.8	8.5
2014	93,653	2,433	92.5	34.7	1,476	\$0.9	\$3.1	\$26,777	2.3	134.0	326.1	8.6
2015	97,027	2,465	95.1	36.2	1,473	\$0.9	\$3.3	\$26,925	2.3	132.7	337.4	8.6
2016	100,430	2,471	97.6	37.8	1,418	\$0.9	\$3.5	\$27,039	2.4	131.3	350.7	8.7
2017	103,794	2,413	100.0	39.2	1,459	\$1.0	\$3.7	\$27,111	2.4	130.9	361.2	8.7
2018	107,106	2,345	102.3	40.7	1,497	\$1.0	\$3.9	\$27,230	2.3	130.1	374.6	8.7
2019	110,342	2,265	104.5	42.3	1,382	\$1.0	\$4.2	\$27,385	2.4	129.0	385.7	8.6
2020	113,502	2,190	106.6	43.7	1,367	\$1.1	\$4.4	\$27,527	2.3	128.1	398.4	8.5
2021	116,613	2,140	108.7	45.1	1,354	\$1.1	\$4.7	\$27,687	2.2	128.0	405.3	8.4
2022	119,728	2,134	110.7	46.5	1,373	\$1.2	\$4.9	\$27,849	2.3	127.2	404.9	8.4
2023	122,899	2,158	112.6	47.9	1,398	\$1.2	\$5.2	\$28,004	2.3	127.2	402.6	8.4
2024	126,109	2,182	114.4	49.4	1,356	\$1.2	\$5.5	\$28,152	2.2	126.0	395.5	8.4
2025	129,323	2,149	116.2	50.8	1,392	\$1.3	\$5.8	\$28,279	2.2	125.0	385.5	8.3
2026	132,517	2,101	117.9	52.2	1,315	\$1.3	\$6.1	\$28,375	2.2	124.1	380.8	8.3
2027	135,719	2,072	119.6	53.6	1,349	\$1.3	\$6.4	\$28,418	2.3	123.2	377.0	8.3
2028	138,952	2,084	121.2	54.9	1,471	\$1.4	\$6.7	\$28,409	2.4	123.0	378.2	8.3
2029	142,236	2,119	122.8	56.5	1,525	\$1.4	\$7.0	\$28,364	2.4	122.0	380.2	8.2
2030	145,592	2,174	124.3	58.0	1,436	\$1.5	\$7.3	\$28,303	2.3	121.0	380.6	8.2



Yuba County Employment Forecast

1997-2005 History, 2006-2030 Forecast

	Total Wage & Salary	Farm	Construction	Manufac- turing	Transportation & Utilities	Wholesale & Retail Trade	Financial Activities	Professional Services	Information	Health & Education	Leisure	Government
-----employment (thousands of jobs)-----												
1997	17.4	2.79	0.73	1.23	0.28	1.98	0.57	1.07	0.20	1.51	1.21	5.55
1998	17.1	1.90	0.74	1.39	0.29	1.85	0.56	1.15	0.20	1.36	1.15	6.13
1999	17.6	2.10	0.85	1.38	0.28	1.81	0.47	1.12	0.20	1.51	1.08	6.50
2000	18.1	2.08	0.85	1.34	0.32	1.69	0.45	1.37	0.20	1.58	1.20	6.73
2001	17.5	1.48	0.86	1.03	0.55	1.58	0.43	1.17	0.18	1.81	1.18	6.73
2002	16.9	1.13	0.65	1.35	0.44	1.57	0.30	1.11	0.10	1.73	1.27	6.67
2003	16.3	1.21	0.83	1.31	0.46	1.45	0.36	0.81	0.12	1.74	1.14	6.31
2004	17.3	1.13	0.97	1.27	0.50	1.93	0.48	0.92	0.20	1.72	1.28	6.41
2005	17.8	1.13	0.97	1.16	0.52	1.97	0.48	1.03	0.20	1.78	1.31	6.74
2006	18.5	1.08	1.03	1.14	0.53	2.18	0.55	1.11	0.23	1.81	1.32	7.00
2007	19.0	1.04	1.04	1.14	0.54	2.36	0.60	1.16	0.25	1.85	1.34	7.19
2008	19.5	1.01	1.02	1.14	0.55	2.51	0.64	1.19	0.27	1.90	1.38	7.36
2009	19.9	0.98	1.00	1.14	0.56	2.66	0.67	1.22	0.28	1.96	1.40	7.51
2010	20.4	0.96	0.99	1.14	0.58	2.81	0.69	1.27	0.29	2.01	1.43	7.66
2011	20.9	0.95	0.99	1.14	0.60	2.96	0.71	1.32	0.30	2.07	1.46	7.82
2012	21.5	0.94	0.99	1.15	0.62	3.11	0.73	1.38	0.30	2.12	1.51	7.96
2013	22.0	0.93	0.99	1.15	0.64	3.26	0.75	1.44	0.31	2.17	1.56	8.09
2014	22.5	0.93	1.00	1.14	0.66	3.41	0.77	1.49	0.31	2.22	1.60	8.22
2015	22.9	0.93	1.00	1.14	0.67	3.54	0.79	1.53	0.32	2.27	1.65	8.35
2016	23.4	0.93	1.01	1.14	0.69	3.67	0.80	1.56	0.32	2.32	1.69	8.47
2017	23.8	0.93	1.02	1.14	0.71	3.79	0.81	1.58	0.32	2.38	1.73	8.60
2018	24.3	0.93	1.03	1.14	0.73	3.89	0.82	1.61	0.32	2.44	1.77	8.72
2019	24.7	0.93	1.04	1.14	0.74	3.99	0.82	1.63	0.32	2.51	1.81	8.85
2020	25.1	0.94	1.04	1.14	0.76	4.09	0.82	1.66	0.32	2.57	1.86	8.97
2021	25.5	0.94	1.04	1.13	0.78	4.18	0.82	1.68	0.32	2.64	1.90	9.10
2022	25.9	0.94	1.04	1.13	0.80	4.26	0.82	1.70	0.32	2.72	1.93	9.23
2023	26.3	0.95	1.04	1.12	0.82	4.34	0.82	1.73	0.32	2.79	1.96	9.36
2024	26.7	0.95	1.05	1.12	0.83	4.42	0.82	1.75	0.32	2.85	1.99	9.50
2025	27.1	0.95	1.06	1.12	0.85	4.49	0.82	1.77	0.32	2.92	2.03	9.64
2026	27.5	0.96	1.07	1.12	0.86	4.56	0.82	1.80	0.32	2.97	2.06	9.79
2027	27.9	0.96	1.08	1.12	0.87	4.62	0.81	1.82	0.32	3.03	2.10	9.94
2028	28.3	0.96	1.09	1.12	0.89	4.68	0.81	1.85	0.32	3.08	2.12	10.09
2029	28.7	0.97	1.10	1.12	0.90	4.73	0.81	1.87	0.32	3.13	2.14	10.25
2030	29.0	0.97	1.12	1.12	0.91	4.78	0.81	1.89	0.32	3.19	2.15	10.41

